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BTS Data

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1st-Quarter 2009 Air Fare Data: Average 1st-Quarter Domestic Air Fares Drop from 4th Quarter
Top 100 Airports: Highest Fare in Huntsville, Lowest Fare at Long Beach

Average domestic air fares dropped 9.1 percent in the first quarter of 2009 from the fourth quarter of 2008, the biggest quarter-to-quarter drop on record, (Tables 1, 2), the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported today**.**

BTS, a part of the Research and Innovative Technology Administration, reports average fares based on domestic itinerary fares, round-trip or one-way for which no return is purchased. Fares are based on the total ticket value which consists of the price charged by the airlines plus any additional taxes and fees levied by an outside entity at the time of purchase. Fares include only the price paid at the time of the ticket purchase and do not include other fees paid at the airport or onboard the aircraft. Averages do not include frequent-flyer or "zero fares" or a few abnormally high reported fares.

The $315 average first-quarter fares were down 5.9 percent from the first quarter of 2008 and down 12.5 percent from the record high average fares of $360 in the third quarter of 2008 (Table 2). First quarter 2008 fares were also 9.4 percent below the pre-9/11 first quarter high of $348 in 2001 (Table 6).

See BTS Air Fare web page for historic data. Quarter-to-quarter changes may be affected by seasonal factors.

The $315 first-quarter 2009 average fare represented a lower rate of increase than inflation both from the first quarter of 1995, the first year of BTS records and from the previous high for first-quarter fares set in 2001. In the 15 years from 1995, air fares rose 6.1 percent compared to a 40.5 percent inflation rate. From 2001, when the previous first-quarter high was set, fares declined 9.4 percent compared to a 20.7 percent inflation rate (Table 6).

Since 2005, average fares have risen less than the inflation rate. First-quarter 2009 average fares rose 4.5 percent from the post-9/11 first-quarter low of $301 in 2005, less than the inflation rate of 10.0 percent (Table 6).

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Average fares in this release may not be comparable to BTS fare press releases before the second quarter of 2007 which did not exclude frequent flyer fares or abnormally high fares. Bulk fares continue to be excluded as in earlier releases.

Spirit Airlines data for the six quarters from the fourth quarter of 2007 to the first quarter of 2009 are not included in this release because the airline is updating its reports. Atlantic City, NJ, is not included because Spirit operates more than 90 percent of the flights there. The Atlantic City average fares in the July 23, 2008 press release were based on incorrect data. The data available on the BTS website for the second and third quarters of 2008 have been revised. Revised Spirit Airlines data for the fourth quarter 2007 and the first quarter 2008 have yet to be received. See http://www.bts.gov/xml/atpi/src/index.xml

Beginning with the first quarter 2008 release, BTS does not include Alaska, Hawaii and Puerto Rico airports in rankings. Average fares for those airports are available on the BTS Air Fare web page: http://www.bts.gov/xml/atpi/src/index.xml

Of the top 100 airports based on 2008 originating passengers, the highest first-quarter average fares were in Huntsville, AL followed by Cincinnati, OH; Grand Rapids, MI; Savannah, GA; and Des Moines, IA. The lowest fares in the top 100 airports were at Long Beach, CA followed by Oakland, CA; Burbank, CA; Dallas Love and Las Vegas (Table 3). See the BTS Air Fare web page for average fares for the top 100 airports.

The largest year-to-year average fare increase for the first quarter among the 100 largest airports ranked by originating passengers was 10.0 percent in Dallas Love followed by Houston Hobby; Lubbock, TX; Oklahoma City, OK and Memphis, TN (Table 4).

The biggest year-to-year average decrease was 16.8 percent in Cincinnati, OH, followed by Madison, WI; Richmond, VA; Long Beach, CA and San Francisco (Table 4).

The largest average fare increase from the first quarter of 1995 to the first quarter of 2009 was at Dallas Love followed by Lubbock TX; Houston Hobby: El Paso, TX and Reno, NV (Table 5).

The largest average fare decrease from the fourth quarter of 1995 to the fourth quarter of 2009 was at White Plains, NY. The other top average fare decreases over this period took place at Manchester, NH; Pittsburgh; Richmond, VA and Raleigh-Durham, NC (Table 5).

The Air Travel Price Index (ATPI)

A separate measure of fares, the BTS Air Travel Price Index (ATPI) dropped 8.5 percent in the first quarter of 2009 from its fourth quarter 2008 level (Table 2). See http://www.bts.gov/xml/atpi/src/datadisp.xml?t=1 for historic data.

The ATPI was down 4.4 percent from the first quarter of 2008 to the first quarter of 2009 (Table 8).

The ATPI is down 0.8 percent from its pre-9/11 first-quarter high set in 2001 and up 11.6 percent from its post-9/11 first-quarter low set in 2005 (Table 7).

AIR TRAVEL PRICE INDEX
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ATPI is a statistical index that documents quarterly changes in airline prices since the first quarter of 1995. The index measures changes in airline ticket prices used on identical routings and identical classes of service on a quarter-by-quarter basis. The index can be used to compare air fares in the most recent available quarter to any quarter since the first quarter of 1995, which is the base quarter (1Q 1995=100).

While the ATPI measures changes in fares, average fares measure the actual amount paid by passengers, including taxes and fees. Average fares take account of both the level of fares and the number of passengers purchasing fares at different levels. Average fares do not necessarily account for the level of service, as ATPI does.

Average fare calculations and the ATPI, while similar, measure air fares in two different ways and may produce different results. ATPI measures the rise in air fares and average fares show the increased use of lower fares. The varying results reflect trends in the airline industry that have resulted in more passengers using lower air fares even though fare levels continue to rise. Three of these trends follow.

First, low-cost carriers, which generally offer lower fares, now carry about 40 percent of all domestic enplaned passengers, up from about 14 percent in 1995. Second, network carriers have been forced to match some of the low-cost carrier relaxed fare rules, such as eliminating the "Saturday Night Stay Rule", which has allowed more passengers to purchase lower fares. Third, use of the internet allows almost instant price comparisons that give the customer the opportunity for unprecedented low-fare shopping.

Excluding Alaska, Hawaii, and Puerto Rico, the largest year-to-year fare index increase for the first quarter among the 85 largest airline markets, ranked by passengers, was 3.7 percent in Islip, NY followed by Reno, NV; Ontario/San Bernardino, CA; San Diego, CA and Portland, OR (Table 9).

The largest year-to-year ATPI decrease was 14.5 percent in Richmond, VA followed by Dayton, OH; Rochester, NY; Boston and Philadelphia (Table 9).

The largest fare index increase from the first quarter of 1995 to the first quarter of 2009 was in Burbank, CA. The other top ATPI increases over this period took place at Long Beach, CA; Ft Myers, FL; Las Vegas and New Orleans (Table 10).

The largest ATPI decreases for the 15-year 1995-to-2009 period was in Richmond, VA followed by Denver; Manchester, NH; and Raleigh Durham, NC. There was a small increase in Detroit (Table 10).

Alaska, Hawaii and Puerto Rico airports have been excluded from Tables 9 and 10 of this release. Those airports are included in the total ATPI and data about them can be found on the ATPI rankings on the BTS Air Fare web page.

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Additional information about average fares, including fares for the top 100 airports based on U.S. originating domestic passengers, can be found on the BTS website at http://www.bts.gov/xml/atpi/src/index.xml. Additional information can also be found on that page about the ATPI, including indexes for foreign-origin itineraries and the top 85 air travel markets based on originating passengers. Second-quarter average fare data and the ATPI will be released on Oct. 28.

Table 1: 1st Quarter Average Fares 1995-2009 Compared to Inflation Rate
Fares based on domestic itinerary fares, round-trip or one-way for which no return is purchased. Fares are based on the total ticket value which consists of the price charged by the airlines plus any additional taxes and fees levied by an outside entity at the time of purchase. Fares include only the price paid at the time of the ticket purchase and do not include other fees paid at the airport or onboard the aircraft. Averages do not include frequent-flyer or "zero fares" or a few abnormally high reported fares.
Averages do not include frequent flyer fares.

		Percent change from previous year		Percent change from 1995	
	Average Domestic 1Q Fares ($)	Average Fares (1Q to 1Q)	Inflation (Mar from previous Mar)*	Cumulative Average Fares (1Q 1995 to 1Q)	Cumulative inflation rate (Mar of each year from Mar 1995)*
1995	297				
1996	284	-4.4	2.8	-4.4	2.8
1997	283	-0.2	2.8	-4.6	5.7
1998	305	7.5	1.4	2.6	7.1
1999	332	8.9	1.7	11.7	9.0
2000	340	2.6	3.8	14.6	13.1
2001	348	2.2	2.9	17.1	16.4
2002	320	-8.0	1.5	7.8	18.1
2003	319	-0.3	3.0	7.5	21.7
2004	320	0.3	1.7	7.8	23.8
2005	301	-5.9	3.1	1.5	27.7
2006	323	7.3	3.4	8.9	32.0
2007	318	-1.7	2.8	7.0	35.6
2008	**335	5.3	4.0	12.8	41.0
2009	315	-5.9	-0.4	6.1	40.5

Source: Bureau of Transportation Statistics
* Rate calculated using Bureau of Labor Statistics Consumer Price Index.
** Revised
Note: Percent change based on unrounded numbers

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Table 2: Quarterly Change in Average Domestic Airline Fares and Air Travel Price Index
Percent Change by Quarter
Fares based on domestic itinerary fares, round-trip or one-way for which no return is purchased. Fares are based on the total ticket value which consists of the price charged by the airlines plus any additional taxes and fees levied by an outside entity at the time of purchase. Fares include only the price paid at the time of the ticket purchase and do not include other fees paid at the airport or onboard the aircraft. Averages do not include frequent-flyer or "zero fares" or a few abnormally high reported fares.

	Average Domestic Fares		Air Travel Price Index	
	Avg Fare* ($)	Pct. Change	Index	Pct. Change
2nd Quarter 2007	325	**2.4**	117.8	**2.9**
3rd Quarter 2007	328	**0.7**	118.8	**0.8**
4th Quarter 2007	331	**1.1**	118.7	**-0.1**
1st Quarter 2008	335	**1.1**	121.4	**2.3**
2nd Quarter 2008	348	**3.9**	126.3	**4.1**
3rd Quarter 2008	360	**3.4**	130.6	**3.4**
4th Quarter 2008	347	**-3.7**	126.8	**-2.9**
1st Quarter 2009	315	**-9.1**	116.0	**-8.5**

SOURCE: Bureau of Transportation Statistics
* Average fares from 4Q 2007 to 4Q 2008 revised from May 6, 2009 release.
Note: Percent change based on unrounded numbers
Note: Quarter-to-quarter changes may be affected by seasonal factors.

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Table 3: Highest and Lowest U.S. Domestic Average Itinerary Fares 1st Quarter 2009
Top 100 Airports* Based on 2008 U.S. Originating Domestic Passengers
Fares based on domestic itinerary fares, round-trip or one-way for which no return is purchased. Fares are based on the total ticket value which consists of the price charged by the airlines plus any additional taxes and fees levied by an outside entity at the time of purchase. Fares include only the price paid at the time of the ticket purchase and do not include other fees paid at the airport or onboard the aircraft. Averages do not include frequent-flyer or "zero fares" or a few abnormally high reported fares.

Rank	Origin	1st Quarter 2009 ($)
	Highest Average Fares	
1	Huntsville, AL	505
2	Cincinnati, OH	446
3	Grand Rapids, MI	418
4	Savannah, GA	405
5	Des Moines, IA	403
	Average Fare at All Airports	**315**
	Lowest Average Fares	
1	Long Beach, CA	207
2	Oakland, CA	227
3	Burbank/Glendale/Pasadena, CA	231
4	Dallas Love, TX	231
5	Las Vegas, NV	235

Source: Bureau of Transportation Statistics
* Not including Alaska, Hawaii or Puerto Rico
Note: Percent change based on unrounded numbers

Table 4: Top 5 U.S. Domestic Average Itinerary Fare Increases and Decreases, 2008 – 2009
Top 100 Airports* Based on 2008 U.S. Originating Domestic Passengers
Fares based on domestic itinerary fares, round-trip or one-way for which no return is purchased. Fares are based on the total ticket value which consists of the price charged by the airlines plus any additional taxes and fees levied by an outside entity at the time of purchase. Fares include only the price paid at the time of the ticket purchase and do not include other fees paid at the airport or onboard the aircraft. Averages do not include frequent-flyer or "zero fares" or a few abnormally high reported fares.

Rank	Origin	1st Quarter 2008** ($)	1st Quarter 2009 ($)	Percent Change from 1st Qtr 2008
	Largest Increases			
1	Dallas Love, TX	210	231	10.0
2	Houston Hobby, TX	247	264	6.9
3	Lubbock, TX	268	280	4.7
4	Oklahoma City, OK	328	341	4.2
5	Memphis, TN	381	397	4.1
	Average Fare at All Airports	**335**	**315**	**-5.9**
	Largest Decreases			
1	Cincinnati, OH	536	446	-16.8
2	Madison, WI	451	375	-16.7
3	Richmond, VA	362	302	-16.6
4	Long Beach, CA	247	207	-16.0
5	San Francisco, CA	396	332	-16.0

Source: Bureau of Transportation Statistics
* Not including Alaska, Hawaii or Puerto Rico
****** Revised from May 6, 2009 release.
Note: Percent change based on unrounded numbers

Table 5: Top 5 U.S. Domestic Average Itinerary Fare Increases and Decreases, 1995-2009
Top 100 Airports* Based on 2008 U.S. Originating Domestic Passengers
Fares based on domestic itinerary fares, round-trip or one-way for which no return is purchased. Fares are based on the total ticket value which consists of the price charged by the airlines plus any additional taxes and fees levied by an outside entity at the time of purchase. Fares include only the price paid at the time of the ticket purchase and do not include other fees paid at the airport or onboard the aircraft. Averages do not include frequent-flyer or "zero fares" or a few abnormally high reported fares.

Rank	Origin	1st Quarter 1995	1st Quarter 2009	Percent Change from 1st Qtr 1995
	Largest Increases			
1	Dallas Love, TX	73	231	215.8
2	Lubbock, TX	126	280	122.7
3	Houston Hobby, TX	124	264	112.5
4	El Paso, TX	154	300	94.9
5	Reno, NV	152	281	85.2
	Average Fare at All Airports	**297**	**315**	**6.1**
	Largest Decreases			
1	White Plains, NY	463	274	-40.9
2	Manchester, NH	433	279	-35.5
3	Pittsburgh, PA	398	271	-32.0
4	Richmond, VA	419	302	-27.9
5	Raleigh/Durham, NC	374	271	-27.6

Source: Bureau of Transportation Statistics
* Not including Alaska, Hawaii or Puerto Rico
Note: Percent change based on unrounded numbers

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Table 6: Percent Changes to 2009 in Domestic Average Itinerary Fares and the Inflation Rate* by Year Since 1995
(1st Quarter to 1st Quarter for fares; March to March for inflation)
Fares based on domestic itinerary fares, round-trip or one-way for which no return is purchased. Fares are based on the total ticket value which consists of the price charged by the airlines plus any additional taxes and fees levied by an outside entity at the time of purchase. Fares include only the price paid at the time of the ticket purchase and do not include other fees paid at the airport or onboard the aircraft. Averages do not include frequent-flyer or "zero fares" or a few abnormally high reported fares.

Since 1st Quarter ...	Duration in Years	Average 1Q Itinerary Fare ($)	Percent Change in Average Fare to 1st Quarter 2009	Inflation Rate to Mar 2009
2009		**315**		
2008	1	335	-5.9	-0.4
2007	2	318	-0.9	3.6
2006	3	323	-2.6	6.5
2005	4	301	4.5	10.0
2004	5	320	-1.7	13.5
2003	6	319	-1.3	15.5
2002	7	320	-1.6	19.0
2001	8	348	-9.4	20.7
2000	9	340	-7.4	24.2
1999	10	332	-5.1	28.9
1998	11	305	3.3	31.1
1997	12	283	11.1	32.9
1996	13	284	10.9	36.6
1995	14	297	6.1	40.5

Source: Bureau of Transportation Statistics
* Rate calculated using Bureau of Labor Statistics Consumer Price Index
Note: Percent change based on unrounded numbers

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Table 7: Percent Changes to 2009 in the Air Travel Price Index, from Each Year Since 1995
(U.S.-Origin Itineraries, 1st Quarter to 1st Quarter)

Percent Change to 1st Quarter 2009	Since 1st Quarter ...	Duration in Years
-4.4	2008	1
1.3	2007	2
1.2	2006	3
11.6	2005	4
6.8	2004	5
7.4	2003	6
7.2	2002	7
-0.8	2001	8
9.3	2000	9
13.5	1999	10
11.0	1998	11
13.7	1997	12
17.5	1996	13
16.0	1995	14

Source: Bureau of Transportation Statistics

Table 8: Year-to-Year Changes in the Air Travel Price Index (ATPI) since 1995 U.S.-Origin Itineraries
1st Quarter to 1st Quarter (1st Quarter 1995 = 100)

Year	ATPI	Percent Change from 1st Quarter Previous Year
1995	100.00	
1996	98.73	-1.3
1997	101.99	3.3
1998	104.55	2.5
1999	102.20	-2.3
2000	106.13	3.8
2001	116.94	10.2
2002	108.18	-7.5
2003	107.98	-0.2
2004	108.59	0.6
2005	103.90	-4.3
2006	114.57	10.3
2007	114.55	0.0
2008	121.40	6.0
2009	**116.00**	**-4.4**

Source: Bureau of Transportation Statistics

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Table 9: Top 5 1st Quarter Air Travel Price Index Increases and Decreases, 2008-2009

Top 85 Air Travel Markets*
Air Travel Price Index Percent Change, 1st Quarter 2008 to 1st Quarter 2009 (1st Quarter 1995 = 100)

Rank	Origin	ATPI 1st Quarter 2008	ATPI 1st Quarter 2009	Percent Change from 1st Qtr 2008
	Largest Increases			
1	Long Island, NY	114.4	118.6	3.7
2	Reno, NV	129.6	132.8	2.4
3	Ontario/San Bernardino, CA	122.4	125.4	2.4
4	San Diego, CA	122.5	124.2	1.4
5	Portland, OR	110.8	112.3	1.4
	ATPI for All U.S. Origins	**121.4**	**116.0**	**-4.4**
	Largest Decreases			
1	Richmond, VA	105.8	90.4	-14.5
2	Dayton, OH	121.6	107.9	-11.3
3	Rochester, NY	112.8	101.0	-10.5
4	Boston, MA	119.1	108.5	-8.9
5	Philadelphia, PA	114.8	104.8	-8.7

Source: Bureau of Transportation Statistics
* See Top 85 Market Rankings Table 15 for Alaska, Hawaii and Puerto Rico airports
** HI, AK, PR airports are excluded.
***See Top 85 Market Rankings Table 16 for Alaska, Hawaii and Puerto Rico airports

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Table 10: Top 5 Air Travel Price Index Increases and Decreases (Smallest Increases), 1995-2009
Top 85 Air Travel Markets*
Air Travel Price Index Percent Change, 1st Quarter 1995 to 1st Quarter 2009 (1st Quarter 1995 = 100)

Rank	Origin	ATPI 1st Quarter 1995	ATPI 1st Quarter 2009	Percent Change from 1st Qtr 1995
	Largest Increases			
1	Burbank/Glendale/Pasadena, CA	100.0	167.6	67.6
2	Long Beach, CA	100.0	151.9	51.9
3	Ft. Myers, FL	100.0	143.4	43.4
4	Las Vegas, NV	100.0	139.3	39.3
5	New Orleans, LA	100.0	135.6	35.6
	ATPI for All U.S. Origins	**100.0**	**116.0**	**16.0**
	Largest Decreases/Smallest Increases			
1	Richmond, VA	100.0	90.4	-9.6
2	Denver, CO	100.0	96.3	-3.7
3	Manchester, NH	100.0	97.2	-2.8
4	Raleigh/Durham, NC	100.0	99.1	-0.9
5	Detroit, MI	100.0	100.9	0.9

Source: Bureau of Transportation Statistics
* See Top 85 Market Rankings Table 15 for Alaska, Hawaii and Puerto Rico airports
** HI, AK, PR airports are excluded.
*** See Top 85 Market Rankings Table 15 for Alaska, Hawaii and Puerto Rico airports

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For **air fares** for the following airports, go to http://www.bts.gov/xml/atpi/src/index.xml.

Multiple airport areas for which a single average fare calculation is available are: Boston, Chicago, Dallas-Fort Worth, Houston, Los Angeles, New York, San Francisco and Washington, DC.

Airports covered by average fare calculations are:

Alabama	Birmingham, Huntsville
Arizona	Phoenix, Tucson
Arkansas	Little Rock
California	Burbank, Fresno, Long Beach, Los Angeles Intl, Oakland, Ontario/San Bernardino, Sacramento, San Diego, San Francisco, San Jose, Santa Ana (Orange County)
Colorado	Colorado Springs, Denver
Connecticut	Hartford
District of Columbia	Dulles, Reagan National
Florida	Ft. Lauderdale, Ft. Myers, Jacksonville, Miami, Orlando, Pensacola, Sarasota, Tampa, West Palm Beach
Georgia	Atlanta, Savannah
Idaho	Boise
Illinois	Chicago Midway, Chicago O'Hare
Indiana	Indianapolis
Iowa	Des Moines
Kansas	Wichita
Kentucky	Louisville
Louisiana	New Orleans
Maine	Portland
Maryland	Baltimore
Massachusetts	Boston
Michigan	Detroit, Grand Rapids, Flint
Minnesota	Minneapolis/St. Paul
Mississippi	Jackson/Vicksburg
Missouri	Kansas City, St. Louis
Nebraska	Omaha
Nevada	Las Vegas, Reno
New Hampshire	Manchester
New Jersey	Newark
New Mexico	Albuquerque
New York	Albany, Buffalo, Islip, New York JFK, New York LaGuardia, Rochester, Syracuse, White Plains

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North Carolina	Charlotte, Greensboro, Raleigh/Durham
Ohio	Akron/Canton, Cincinnati, Cleveland, Columbus, Dayton
Oklahoma	Oklahoma City, Tulsa
Oregon	Portland
Pennsylvania	Harrisburg, Philadelphia, Pittsburgh
Rhode Island	Providence
South Carolina	Charleston
Tennessee	Knoxville, Memphis, Nashville
Texas	Austin, Dallas Love, Dallas/Ft. Worth, El Paso, Houston Bush, Houston Hobby, Lubbock, San Antonio
Utah	Salt Lake City
Vermont	Burlington
Virginia	Newport News/Williamsburg, Norfolk, Richmond
Washington	Seattle, Spokane
Wisconsin	Madison, Milwaukee

For the **ATPI** for the following markets, go to http://www.bts.gov/xml/atpi/src/index.xml:

Alabama:	Birmingham
Alaska:	Anchorage
Arizona:	Phoenix, Tucson
Arkansas:	Little Rock
California:	Burbank, Greater Los Angeles, Long Beach, Los Angeles, Oakland, Ontario, Sacramento, San Diego, San Francisco, San Jose, Santa Ana (Orange County)
Colorado:	Colorado Springs, Denver
Connecticut:	Hartford
District of Columbia:	Washington, DC (Dulles and Reagan National combined)
Florida:	Ft. Lauderdale, Ft. Myers, Jacksonville, Miami, Orlando, Tampa, West Palm Beach
Georgia:	Atlanta, Savannah
Hawaii:	Honolulu, Kahului (Maui), Kona, Lihue (Kauai)
Idaho:	Boise
Illinois:	Chicago (Midway and O'Hare combined)
Indiana:	Indianapolis
Iowa:	Des Moines
Kentucky:	Louisville
Louisiana:	New Orleans
Maryland:	Baltimore
Massachusetts:	Boston
Michigan:	Detroit, Grand Rapids
Minnesota:	Minneapolis/St. Paul
Missouri:	Kansas City, St. Louis

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Nebraska:	Omaha
Nevada:	Las Vegas, Reno
New Hampshire:	Manchester
New Jersey:	New York/Newark
New Mexico:	Albuquerque
New York:	Albany, Buffalo, Long Island, New York/Newark, Rochester, Syracuse
North Carolina:	Charlotte, Greensboro/High Point, Raleigh/Durham
Ohio:	Cincinnati, Cleveland, Columbus, Dayton
Oklahoma:	Oklahoma City, Tulsa
Oregon:	Portland
Pennsylvania:	Philadelphia, Pittsburgh
Rhode Island:	Providence
South Carolina:	Charleston
Tennessee:	Memphis, Nashville
Texas:	Austin, Dallas/Ft. Worth, El Paso, Houston, San Antonio
Utah:	Salt Lake City
Virginia:	Norfolk, Richmond
Washington:	Seattle, Spokane
Wisconsin:	Milwaukee
Puerto Rico:	San Juan

Brief Explanation of the ATPI

The ATPI series are computed using a price index methodology. Although the ATPI is computed using a tested index methodology, it is considered a research series at this time.

The ATPI is based on fares paid by travelers and draws its data from the BTS Passenger Origin and Destination Survey. Through this survey, BTS collects information from the airlines on a 10-percent sample of airline tickets. Each ticket sold is assigned an identification number, and if this number ends in 0, the ticket is in the sample.

The index measures the aggregate change in the cost of itineraries originating in the United States, whether the destinations are domestic or international, but only for U.S. carriers (excluding charter air travel). The ATPI is based on the changes in the price of individual itineraries, that is, round trips or one-way trips for which no return trip is purchased, and the relative value of each itinerary, for the set of matched itineraries.

The index uses the first quarter of 1995 as the reference point (expressed as the number 100) against which all subsequent quarterly prices are measured. ATPI values below 100 represent overall "cost of flying" levels less than those in the second quarter of 1995, while values above 100 represent cost of flying levels that exceed those of the second quarter of 1995. ATPI levels can be used to compute percentage changes in overall fare costs between any two quarters in an ATPI series.

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Unlike many other price index estimates, the ATPI is not based on a fixed "market basket" of air travel services. Rather, all of the data from the Passenger Origin and Destination (O&D) Survey are fed into the estimation system each quarter, and this collection of itineraries varies from one quarter to the next. New entry, including routes and carriers, will not be included in the ATPI calculations until it has been present in the O&D Survey for two consecutive quarters.

For price comparison purposes, itineraries flown in each quarter are "matched up" with identical or very similar itineraries flown in other quarters. A price index formula is then used to compute aggregate index estimates such as those that appear in this release.

The fares reported in the O&D Survey include taxes, so the ATPI values reflect changes in tax rates as well as changes in fares received by the airlines. The ATPI values in this release are not adjusted for seasonality, so some movements in the series are due to seasonal variations in air fares.

The ATPI differs from the Bureau of Labor Statistics' (BLS) air fare index, a component of the Consumer Price Index. The BLS index is based on fares advertised through SABRE, a leading computerized airline ticket reservation system, while the ATPI uses actual fares paid by travelers. Since a growing number of tickets are purchased through the internet at discounted prices not listed with SABRE, the ATPI does not show the same levels of increases as the BLS index.

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